



**INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30<sup>th</sup> JUNE 2022**

## HSEID BUSINESS SOLUTIONS PLC

### Chief Executive Officer's Review

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Dear Shareholders,

The new financial year started on a positive note, with strong growth across our key business segments and regional operations.

For the three months ending 30 June 2022, hSenid Business Solutions (hBS) recorded revenues of LKR 307.1 million, compared to LKR 200.5 million in the corresponding quarter of the previous financial year. This amounts to a year-over-year growth of 53.2 percent, and was driven by growth in PeoplesHR Cloud, followed by Tracking Solutions and PeoplesHR On-Premise operations. In addition, recurring revenues came in at 53.0 percent, driven by PeoplesHR Cloud, contributing to the revenue growth.

Group earnings before interest, taxes, depreciation and amortisation (EBITDA) came in at LKR 211.4 million for the quarter, compared to LKR 25.4 million in the previous financial year. Growth was also supported by favourable currency translations, offsetting the impact from an increase in operational expenses.

As a result, net profits for the quarter under review came in at LKR 202.4 million, compared to a profit of LKR 7.3 million in the corresponding quarter of the previous financial year. This results in an earnings per share (EPS) of LKR 0.73 compared to LKR 0.03 per share in the first quarter of the previous financial year.

The quarter under review saw LKR 119.0 million in new deals confirmed, with PeoplesHR contributing to over 50.0 percent, while regionally APAC was the key contributor. New deals also included PeoplesHR Turbo, which was relaunched in India in FY22. We continue to focus on expanding the product within India and expect Turbo to be a key product catering to SME businesses in the APAC region. Expansion into Bangladesh is also on track, with the market expected to show further potential over the next 18-24 months. In addition, hBS continues its product rationalization within the Mobile Software business, with increased focus on the core PeoplesHR product.

We continue to focus on the strategic objectives set forth at our IPO, including product development initiatives, and exploring potential strategic acquisitions in APAC and East African Regions.

Sgd.

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Sampath K. Jayasundara  
Chief Executive Officer  
02 August 2022  
Colombo

HSENIID BUSINESS SOLUTIONS PLC  
STATEMENT OF FINANCIAL POSITION

AS AT	GROUP		COMPANY	
	Unaudited 30.06.2022 Rs.	Audited 31.03.2022 Rs.	Unaudited 30.06.2022 Rs.	Audited 31.03.2022 Rs.
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	25,753,374	20,060,449	25,356,673	19,717,549
Right of use Assets	23,072,842	28,233,890	16,090,547	20,478,877
Intangible assets	235,269,237	214,888,450	227,631,295	206,040,983
Goodwill on acquisition	2,008,131	2,008,131	-	-
Investments in subsidiaries	-	-	136,859,362	136,859,362
	<u>286,103,583</u>	<u>265,190,920</u>	<u>405,937,877</u>	<u>383,096,771</u>
<b>Current Assets</b>				
Inventories	26,520,509	29,685,786	26,520,509	29,685,786
Trade and other receivables	695,540,807	530,067,272	794,584,548	600,858,289
Advances and prepayments	77,375,240	66,315,496	13,777,217	8,389,732
Other current financial assets	1,201,702,656	1,083,462,924	1,201,702,656	1,083,462,924
Cash and bank balances	388,562,976	413,247,696	186,383,175	215,679,628
	<u>2,389,702,188</u>	<u>2,122,779,174</u>	<u>2,222,968,106</u>	<u>1,938,076,359</u>
<b>Total Assets</b>	<u><u>2,675,805,771</u></u>	<u><u>2,387,970,094</u></u>	<u><u>2,628,905,983</u></u>	<u><u>2,321,173,130</u></u>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and Reserves</b>				
Stated capital	922,748,205	922,748,205	922,748,205	922,748,205
Currency translation reserve	16,382,579	13,097,441	-	-
Retained earnings	1,129,093,281	926,700,879	1,229,478,307	1,007,913,613
<b>Total Equity</b>	<u>2,068,224,064</u>	<u>1,862,546,524</u>	<u>2,152,226,511</u>	<u>1,930,661,818</u>
<b>Non-Current Liabilities</b>				
Retirement benefit obligation	81,494,970	80,744,970	81,494,970	80,744,970
Interest bearing borrowings	-	4,277,354	-	3,658,420
Deferred tax liability	1,822,942	1,822,942	1,829,107	1,829,107
	<u>83,317,912</u>	<u>86,845,266</u>	<u>83,324,077</u>	<u>86,232,497</u>
<b>Current Liabilities</b>				
Trade and other payables	353,148,347	319,021,712	229,343,975	191,942,453
Deferred income	102,905,715	81,481,592	102,905,715	81,481,592
Interest bearing borrowings	61,378,882	31,989,169	54,274,855	24,768,940
Income tax payable	6,830,850	6,085,830	6,830,850	6,085,830
	<u>524,263,794</u>	<u>438,578,304</u>	<u>393,355,394</u>	<u>304,278,816</u>
<b>Total Equity and Liabilities</b>	<u><u>2,675,805,771</u></u>	<u><u>2,387,970,094</u></u>	<u><u>2,628,905,983</u></u>	<u><u>2,321,173,130</u></u>

These financial statements are in compliance with the requirements of the Companies Act No. 7 of 2007.

Sgd.  
Raveen Lasath  
**Head of Finance**

The Board of Directors is responsible for these financial statements. Signed for and on behalf of the Board by;

Sgd.  
Sampath Jayasundara  
**CEO/Director**

Sgd.  
Malinga Arsakularatne  
**Director**

August 2, 2022  
Colombo

HSENIID BUSINESS SOLUTIONS PLC  
STATEMENT OF COMPREHENSIVE INCOME - GROUP

For the three Months ended 30th June	Group			Company		
	Unaudited 2022	Unaudited 2021	Change %	Unaudited 2022	Unaudited 2021	Change %
	Rs.	Rs.		Rs.	Rs.	
<b>Revenue</b>	307,108,285	200,464,135	53%	263,139,368	155,301,179	69%
Cost of sales	(184,061,444)	(115,535,766)	59%	(143,587,303)	(80,730,503)	78%
<b>Gross profit</b>	123,046,841	84,928,369	45%	119,552,065	74,570,676	60%
Other income	193,442,008	1,629,217	11773%	191,521,274	718,577	26553%
Administrative expenses	(66,871,962)	(41,125,502)	63%	(52,355,171)	(30,596,395)	71%
Selling and marketing expenses	(43,837,742)	(19,425,769)	126%	(34,651,147)	(17,823,096)	94%
Finance cost	(997,864)	(1,441,574)	-31%	(898,907)	(1,411,720)	-36%
Finance income	22,228,840	703,694	3059%	22,228,840	703,694	3059%
Other operating expenses	(23,267,929)	(17,993,468)	29%	(22,482,470)	(17,577,633)	28%
<b>Profit before tax</b>	203,742,191	7,274,966	2701%	222,914,483	8,584,101	2497%
Tax (expense)/reversal	(1,349,790)	-	-	(1,349,790)	-	-
<b>Profit for the period</b>	202,392,402	7,274,966	2682%	221,564,694	8,584,101	2481%
<b>Other comprehensive income</b>						
Exchange Gain/(Loss) on translation of foreign operations	3,285,137	14,135,295		-	-	
Re-measurements of defined benefit obligations	-	-		-	-	
Deferred tax on Re-measurements of defined benefit obligations	-	-		-	-	
<b>Total comprehensive income for the period</b>	205,677,539	21,410,261		221,564,694	8,584,101	
<b>Profit for the period</b>						
Equity holders of the Company	202,392,402	7,274,966		221,564,694	8,584,101	
Non-controlling interest	-	-		-	-	
<b>Total comprehensive income/profit for the period</b>						
Equity holders of the Company	205,677,539	21,410,261		221,564,694	8,584,101	
Non-controlling interest	-	-		-	-	
<b>Earnings Per Share - Basic</b>	0.73	0.03		0.80	0.04	

HSENIID BUSINESS SOLUTIONS PLC

STATEMENT OF CASH FLOWS

For the three Months ended 30th June	Group		Company	
	Unaudited 2022 Rs.	Unaudited 2021 Rs.	Unaudited 2022 Rs.	Unaudited 2021 Rs.
<b>Cash flows from/(used in) operating activities</b>				
Profit before tax	203,742,191	7,274,966	222,914,483	8,584,101
Adjustment For				
Depreciation	2,088,355	988,086	2,088,355	988,086
Amortisation	28,841,782	20,367,255	24,253,658	20,481,146
Impairment/(writing back) of trade receivable	7,603,326	3,537	7,568,208	-
Finance income	(22,228,840)	(703,694)	(22,228,840)	(703,694)
Finance cost	997,864	1,441,574	898,907	1,411,720
Provision for defined benefit plan	2,250,000	1,950,000	2,250,000	1,950,000
Forex loss/(gain)	(191,987,883)	(633,397)	(191,521,274)	(718,577)
Operating profit before working capital changes	31,306,795	30,688,328	46,223,498	31,992,784
Decrease / (Increase) in inventories	3,165,276	(972,855)	3,165,276	(972,855)
Decrease / (Increase) in trade and other receivables	(173,076,861)	84,520,809	(201,294,466)	85,138,858
Decrease/(Increase) in advance and prepayment	(11,059,744)	12,362,875	(5,387,485)	(2,916,272)
Increase / (Decrease) in deferred income	21,424,123	(9,514,141)	21,424,123	(9,514,141)
Increase / (Decrease) in trade and other payables	34,126,635	(15,742,669)	37,401,522	25,972,205
Cash generated from operations	(94,113,775)	101,342,348	(98,467,532)	129,700,578
Finance cost paid	(276,755)	(287,925)	(276,755)	(287,925)
Defined benefit obligation paid	(1,500,000)	(1,931,250)	(1,500,000)	(1,931,250)
Tax paid	(604,770)	546,915	(604,770)	0.00
Net cash from operating activities	(96,495,300)	99,670,088	(100,849,057)	127,481,403
<b>Cash flows from/(used in) investing activities</b>				
Acquisition of property, plant and equipment	(7,727,479)	(2,591,069)	(7,727,479)	(2,591,069)
Acquisition of intangible assets	(41,455,641)	(24,783,116)	(41,455,641)	(23,510,197)
Finance income received	22,228,840	703,694	22,228,840	703,694
Net cash used in investing activities	(26,954,280)	(26,670,491)	(26,954,280)	(25,397,572)
<b>Cash flows from/(used in) financing activities</b>				
Payment of lease installments	(7,674,110)	(6,333,159)	(5,563,200)	(4,950,075)
Repayment of bank loans	(4,166,650)	(5,854,170)	(4,166,650)	(5,854,170)
Net cash used in financing activities	(11,840,760)	(12,187,329)	(9,729,850)	(10,804,245)
Currency translation adjustment	193,890,158	15,148,789	191,521,274	718,577
<b>Net increase in cash and cash equivalents</b>	58,599,818	75,961,057	53,988,087	91,998,162
<b>Cash and cash equivalents at the beginning of the year</b>	1,266,407,907	431,231,727	1,068,839,840	277,457,429
<b>Cash and cash equivalents at the end of the period</b>	1,325,007,726	507,192,784	1,122,827,927	369,455,591

HSENIID BUSINESS SOLUTIONS PLC  
STATEMENT OF CHANGES IN EQUITY

Group	Stated	Currency	Retained	Total
	Capital	Translation	Earnings	Equity
	Rs.	Reserve	Rs.	Rs.
<b>Balance as at 01st April 2021</b>	224,036,627	17,775,308	527,476,218	769,288,153
Profit for the period	-	-	7,274,966	7,274,966
Dividends	-	-	-	-
Other comprehensive income	-	14,135,295	-	14,135,295
Total comprehensive income	-	14,135,295	7,274,966	21,410,261
<b>Balance as at 30th June 2021</b>	<u>224,036,627</u>	<u>31,910,603</u>	<u>534,751,184</u>	<u>790,698,414</u>
<b>Balance as at 01st April 2022</b>	922,748,205	13,097,441	926,700,879	1,862,546,525
Profit for the period	-	-	202,392,402	202,392,402
Other comprehensive income	-	3,285,137	-	3,285,137
Total comprehensive income	-	3,285,137	202,392,402	205,677,539
<b>Balance as at 30th June 2022</b>	<u>922,748,205</u>	<u>16,382,579</u>	<u>1,129,093,281</u>	<u>2,068,224,064</u>
<b>Company</b>		<b>Stated</b>	<b>Retained</b>	<b>Total</b>
		<b>Capital</b>	<b>Earnings</b>	<b>Equity</b>
		<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Balance as at 01st April 2021</b>		224,036,627	679,757,364	903,793,990
Dividends			-	-
Profit for the period			8,584,101	8,584,101
Total comprehensive income		-	8,584,101	8,584,101
<b>Balance as at 30th June 2021</b>		<u>224,036,627</u>	<u>688,341,465</u>	<u>912,378,091</u>
<b>Balance as at 01st April 2022</b>		922,748,205	1,007,913,613	1,930,661,818
Dividends			-	-
Profit for the period		-	221,564,694	221,564,694
Total comprehensive income		-	221,564,694	221,564,694
<b>Balance as at 30th June 2022</b>		<u>922,748,205</u>	<u>1,229,478,307</u>	<u>2,152,226,511</u>

HSENIID BUSINESS SOLUTIONS PLC  
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

1 Basis of Preparation

The consolidated interim financial statements have been prepared in accordance with the accounting policies set out in the Audited Accounts for the year ended 31 March 2022 and are in compliance with Sri Lanka Accounting Standards - LKAS 34 - Interim Financial Reporting.

2 The interim condensed financial statements of the Group and the Company for the period ended 30th June 2022 were authorised for issue by the Board of Directors on 2nd August 2022.

3 Other Income

Other income include an exchange gain of LKR 191.9 Mn under the income statement along with the exchange translation gains.

4 Contingent Liabilities

There has not been a significant change in the nature of contingent liabilities, which were disclosed in the Audited Financial Statements for the year ended 31<sup>st</sup> March 2022.

5 Continuous Disclosure regarding status of utilization of funds raised via IPO

Objective number	Objective as per Prospectus	Amount allocated as per Prospectus in (LKR Mn)	Proposed date of utilization as per Prospectus	Amount allocated in LKR Mn (A)	% of total proceeds	Amount utilized in LKR Mn (B)	% of utilized against allocation (B/A)	Clarification if not fully utilized including where the funds are invested (eg: whether lent to related party/s etc)
1	Product Development Initiatives	202	January 2022 - December 2023	202	29%	23.60	12%	Unutilized funds have been temporarily invested with NDB Wealth Management Limited , Guardian Acuity Asset Management Limited and government securities (REPO)
2	Market Development Initiatives	140	January 2022 - December 2023	140	20%	11.10	8%	
3	Potential Strategic Acquisitions in APAC and East African Regions	350	April 2022 - March 2024	350	51%	-	0%	
	<b>Total</b>	<b>692</b>		<b>692</b>		<b>34.70</b>	<b>5%</b>	

6 Market value per share for the quarter ended

	30.06.2022	30.06.2021
Highest	22.10	N/A
Lowest	14.50	N/A
Closing	19.20	N/A
Market Capitalization on 30th June, 2022	5,312,551,219	N/A

7 Public Holding as at 30th June, 2022

Issued Share Capital (No. of Shares)	276,695,376	N/A
Public Holding as % of Issued Share Capital	34.62%	N/A
Total Number of Shareholders	5,141	N/A
Number of Shareholders representing the Public Holding	5,122	N/A
Float Adjusted Market Capitalization - (LKR)	1,839,205,232	

The Company complies with the Minimum Public Holding requirement of the Main Board as per Option 5 of Section 7.13.1 (a) of the CSE Listing Rules.

HSENIID BUSINESS SOLUTIONS PLC  
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

**8 Shareholders' Information**

**8.1 Ordinary Voting Shares as at 30th June 2022**

No	Name	No of Shares	%
1	Hsenid Ventures (Private) Limited	68,839,540	24.88
2	Mr. R.S.Captain	28,352,895	10.25
3	Mr. K.P.R.B. De Silva	28,330,504	10.24
4	Mr. Dinesh Saparamadu	27,800,110	10.05
5	Mr. O.E.H. Kalvo	19,800,000	7.16
6	Ceylon Guardian Investment Trust PLC A/C # 02	17,976,090	6.50
7	Argent Capital (Private) Ltd	11,406,636	4.12
8	Timex Garments (Pvt) Ltd	11,235,070	4.06
9	GF Capital Global Limited	3,709,400	1.34
10	Mr. Sampath Jayasundara	3,303,300	1.19
11	J.B Cocoshell (Pvt) Ltd	2,765,667	1.00
12	Citibank New York S/A Norges Bank Account 2	2,640,463	0.95
13	Mr. Nilam Alawdeen	2,420,000	0.87
14	AIA Insurance Lanka Limited A/C No.07	1,300,000	0.47
15	Phoenix Ventures Private Limited	1,066,086	0.39
16	Cocoshell Activated Carbon Company (Pvt) Ltd	1,014,700	0.37
17	Miss. M.M.Page	800,000	0.29
18	Mr. A.L.S. Kumara	762,190	0.28
19	Union Assurance PLC-Universal Life Fund	732,992	0.26
20	Rosewood (Pvt) Limited-Account No.1	651,442	0.24
		<u>234,907,085</u>	<u>84.90</u>
	Others	<u>41,788,291</u>	<u>15.10</u>
		<u>276,695,376</u>	<u>100.00</u>

**8.2 Directors' and Chief Executive Officer's Shareholding as at 30th June 2022**

No	Name	No of Shares	%
1	Mr. Dinesh.Saparamadu	27,800,110	10.05
2	Mr. Sampath Jayasundara	3,303,300	1.19
3	Ms. Dishnira Saparamadu	Nil	
4	Mr. Apurva Udeshi	Nil	
5	Mr. Malinga Arsakularatne	Nil	
6	Mr. Madu Ratnayake	Nil	
7	Ms. Anarkali Moonesinghe	Nil	



HSENIID BUSINESS SOLUTIONS PLC  
CORPORATE INFORMATION

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NAME OF COMPANY	hSenid Business Solutions PLC
LEGAL FORM	A Limited liability company, incorporated in Sri Lanka in 2005. The ordinary shares of the Company were listed with the Colombo Stock Exchange of Sri Lanka on 21 December 2021.
BOARD OF DIRECTORS	Mr. Dinesh.Saparamadu Mr. Sampath Jayasundara Ms. Dishnira Saparamadu Mr. Apurva Udeshi Mr. Malinga Arakularatne Mr. Madu Ratnayake Ms. Anarkali Moonesinghe
SECRETARIES	Corporate Services (Pvt) Ltd 216, De Saram Place Colombo 10. Tel : +94 11 4718200
AUDITORS	Messrs Ernst & Young Chartered Accountants 201, De Saram Place Colombo 10
NATURE OF THE BUSINESS	Development of Human Capital Management Software Products and related services
REGISTERED OFFICE	50, Ward place Colombo 07 Tel : +94 11 4621111 Fax : +94 11 2394064 Email : info@hsenidbiz.com